



# Announcement

**September 23, 2015**

## **Wildfires: Frequently Asked Questions**

Due to the recent devastation caused by wildfires in the western United States, TTB has compiled the following FAQs as guidance for regulated industry members whose business have been adversely affected by them. Because of the number of wineries that are in that area, these FAQs mostly address issues concerning wineries, but we have included guidance that addresses other commodities.

**I'm a retailer, and I lost wine, beer, distilled spirits, and tobacco products as a result of a wildfire. May I file a claim with TTB for a refund of the federal excise tax paid on all these products? My wholesale distributors have the same question.**

Yes, retailers, wholesalers, and importers of beverage alcohol products and importers of tobacco products may file claims with TTB for a refund of the federal excise taxes paid on any beverage alcohol or tobacco products that were lost as a result of wildfires. However, retailers and wholesalers of tobacco products may only file a claim if the loss occurs as the result of a presidentially declared major disaster. To determine if a Presidential declaration has been made, please visit [Disaster Declarations](#) at FEMA.gov. For detailed information on how to file a claim, please see [When Disaster Strikes](#) at TTB.gov.

**I lost a significant quantity of wine at my bonded premises as a result of a wildfire. Am I required to report my losses to TTB?**

Yes. TTB regulations at [27 CFR 24.268](#) require that proprietors report any casualty loss immediately to TTB. However, due to the extent of damage caused by the 2015 wildfires, TTB is not requiring that proprietors report their losses immediately. Proprietors should instead report their losses as soon as they are able to determine the extent of the damage to their inventories. In their submissions, proprietors should provide the following information:

- Name and address of the bonded wine premises
- Registry number of the bonded wine premises (“BWN/BWC/BW-State-xxxxx”)
- Kind of wine
- Alcohol content
- Approximate volume in gallons
- Date of loss
- Reason for loss (i.e., fire damage)
- Printed name of winery representative
- Signature (Person signing must have signing authority)
- Telephone number

This information should be submitted, either in letter form or as an email, to TTB’s National Revenue Center:

550 Main Street, Suite 8002  
Cincinnati, OH 45202-5215  
Toll-free: 877-882-3277  
Email: [TTBInternetQuestions@ttb.gov](mailto:TTBInternetQuestions@ttb.gov)

The volume of wine lost must be reported on [TTB F 5120.17, Report of Wine Premises Operations](#), for the reporting period during which the loss occurred.

**I’ve heard that if I’m late filing for or paying my federal excise taxes due to a wildfire, TTB will consider waiving the late penalties and interest. How can I qualify for this waiver?**

TTB will consider waiving late filing, payment, or deposit penalties on a case-by-case basis. Wherever warranted, waivers will be approved based on the statutory standard of reasonable cause and a lack of willful neglect demonstrated by the taxpayer.

To qualify for such a waiver, a taxpayer must:

- Demonstrate, to the satisfaction of the TTB National Revenue Center (NRC), that wildfires directly affected your ability to timely file, pay, or deposit; and
- Contact the NRC:

550 Main Street, Suite 8002  
Cincinnati, OH 45202-5215  
Toll-free: 877-882-3277  
Email: [TTBInternetQuestions@ttb.gov](mailto:TTBInternetQuestions@ttb.gov)

**How do I file a claim for a refund or credit of federal excise tax on wine I lost in a wildfire?**

Businesses (retailers, wholesalers, importers, exporters, and manufacturers of beverage alcohol and importers, export warehouse proprietors, and manufacturers of tobacco products and processed tobacco) may file claims with TTB for the payment (refund or allowance of credit) of federal excise taxes paid on beverage alcohol or tobacco products lost, rendered unmarketable, or condemned by a duly authorized official under various circumstances, including the 2015 wildfires. However, retailers and wholesalers of tobacco products may only file a claim if the loss occurs as the result of a presidentially declared major disaster. To determine whether a Presidential declaration has been made, please [click here](#). For detailed information on how to file a claim, please see our webpage entitled [When Disaster Strikes](#).

### **What records should I keep of any spillage and breakage that occurred on my winery premises?**

You should document the volume and tax class of wine lost in all appropriate TTB-required records - for example, the bulk still wine record (see [27 CFR 24.301](#)) and the bottled or packed wine record (see [27 CFR 24.308](#)). Additionally, you must report the loss on your next [TTB F 5120.17, Report of Wine Premises Operations](#). The volume of bulk wine lost should be reported on line 29 of Part 1, Section A; the volume of bottled wine lost should be reported on line 18 of Part 1, Section B.

### **I need to destroy untaxpaid wine and/or wine spirits that were damaged during a wildfire. What TTB procedures do I need to follow?**

The destruction of wine is provided for in [27 CFR 24.294](#), which requires that a proprietor first request permission from TTB's National Revenue Center to destroy the lot of wine before proceeding with the destruction. Due to the circumstances caused by the 2015 wildfires, TTB is waiving the requirement that proprietors must first obtain TTB approval before destroying the wine. However, proprietors must still submit a notification, as soon as practical, to the NRC containing the information required by [27 CFR 24.294](#). This notification should include the following information:

- Date of the letter
- Name and address of the bonded wine premises
- Registry number of the bonded wine premises ("BWN/BWC/BW-State-xxxxx")
- Kind of wine
- Alcohol content
- Approximate volume in gallons
- Where wine was destroyed
- Date of destruction
- Reason for destruction
- Printed name of winery representative
- Signature (Person signing must have signing authority)
- Telephone number

The notification should be faxed to the Wine Tax Unit at 202-453-2338, or mailed to: TTB National

Revenue Center  
Attention: Wine Tax Unit 550 Main  
St., Suite 8002  
Cincinnati, OH 45202

If you have wine spirits that must be destroyed, follow the procedure outlined in [27 CFR 24.235\(b\)](#). Due to the circumstances caused by the 2015 wildfires, TTB is waiving the requirement that proprietors must first obtain TTB approval before destroying wine spirits. The notification should be sent to the District Director, Trade Investigations Division, who serves your area. For contact information, see our [Trade Investigation Division Office Location Map](#) at TTB.gov.

Please note that the wine must be destroyed in compliance with your local environmental and waste disposal rules.

Show the amount destroyed on [TTB F 5120.17, Report of Wine Premises Operations](#), for the period in which the product was destroyed. The volume of bulk wine destroyed will be entered in the write-in entry Lines 24-28 of Part I, Section A. The volume of bottled wine destroyed will be entered in the write-in entry lines 15-17 of Part I, Section B. The volume of wine spirits destroyed will be entered on line 7 of Part III.

**Because of damage to my winery premises, I would like to transfer some of my wine in bond to another bonded wine facility for temporary storage. Will this affect my ability to claim the small producer credit on this wine?**

If the wine is transferred in bond to another bonded wine premises and later transferred back to your winery, the transfers in bond will not affect your ability to take the small producer credit (note that you must not produce more than 250,000 gallons of wine in the year of removal).

For additional questions about transferring the small producer credit, read **W7, What are the rules for transferring small domestic producer's tax credit?** At our [wine FAQs page](#) at TTB.gov.